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**\*FOR IMMEDIATE RELEASE\***

**December 21, 2021**

**Contact: Nate Alger, Grand Traverse County Administrator**

**Subject: Grand Traverse County's \$44M Pension Debt Addressed**

**Grand Traverse County** – On December 21st, 2021, Grand Traverse County officially transmitted to the Municipal Employees Retirement System (MERS) the \$44 million needed to address the County's pension debt. The County borrowed over \$39 million at a low interest rate of 1.99% because of the County's excellent bond rating. This amount represents 95% of the total liability. State law requires the County to pay the additional 5%, totaling \$5.1 million before the end of 2021. "The closing on the pension obligation bonds puts a pin in our pension liability problem going forward and will free up millions of dollars that was committed to the future liability," said Grand Traverse County Administrator Nate Alger. He continued by saying, "the stable annual pension payment will afford Grand Traverse County with more budget flexibility in the years to come." Also, "the level of debt service payments, historically low-interest rates, and the increased asset base are all components of a more effective cash management plan for the pension obligation," said Finance Director Dean Bott.

County Administrator Nate Alger said he was "incredibly proud of the County's high bond rating. "It shows the Grand Traverse County Board of Commissioners' commitment to prudent and conservative fiscal management. It also demonstrates our staff's ability to be responsible custodians of public funds," he stated.

Grand Traverse County recently received a wage and compensation study that showed many of the employee positions were below the market average for similar positions in surrounding areas. "With the recent budget flexibility that came with bonding the pension liability, we were able to move our wage scales upwards for an increase of 9.5% for 2022. The County Board of Commissioners are committed to using the wage study to improve the compensation of our employees," said the County Administrator.

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